Manitoba

FILM & SOUND

1999/2000 Annual Report

100-06907/

Message From the Chair and Chief Executive Officer

Cheryl Barker
Interim Chairperson

1999/2000 was a year of major accomplishment for the Manitoba Film and Sound Recording Development Corporation ("**Manitoba Film & Sound**"). We made excellent progress in a number of areas in support of our primary role of fostering the growth of the music and motion picture industries in Manitoba.

Manitoba Film & Sound committed $1.6 million to film, video and sound recording projects in fiscal year 1999/2000. With this amount, $24 million in new industry investment was attracted from other sources including the private sector. This means that for every $1 invested by **Manitoba Film & Sound** in these types of projects, $15 of investment was triggered. Our success in leveraging private sector dollars for the industry reflects our aggressive efforts to maximize the benefit from public monies invested. The Corporation's funding commitment has proven to be critical in completing project financing and will directly influence the degree of industry expansion in the future.

The industry's contribution to the provincial economy continues to grow. Total production budgets for indigenous and foreign film activity in fiscal year 1999/2000 reached in excess of $35 million. Based on a recent economic impact study, this level of production activity is estimated to generate $37 million in gross economic benefit and approximately 500 direct and industry related person years of employment for Manitoba. A KPMG economic study on the sound recording industry reports that with $8.3 million in direct spending annually, $13 million in gross output is added to the local economy. Local spending in the core sectors of the sound industry creates $4.6 million in labour income and approximately 300 person years of employment.

Clearly, the most meaningful measure of our success are the achievements of Manitoba's music and motion picture industries, and 1999/2000 was an outstanding year in this regard. Musicians and productions alike received an unprecedented number of awards and nominations.

- Manitoba productions earned 9 Gemini awards and 15 nominations, representing 20% of all the category nominations. The Gemini awards honour Canada's television industry.
- Six Manitoba recording artists received nine nominations at the 2000 Juno Awards, which celebrate Canada's musical talent. Manitoba nominees represented 2.3% of the category nominations.
- Manitoba recording artists won eight awards at the first ever Prairie Music Awards held in Winnipeg. These awards represent 5.3% of the total awards handed out. The Guess Who were honoured as the first inductees into the Prairie Music Hall of Fame.
- More acts are signed to major record labels per capita in Manitoba than anywhere else in Canada today.
- Several Manitoba films received recognition at national and international festivals: Marble Island Pictures feature "Heater" was invited to screen at the prestigious Sundance Film Festival, and received 2 awards at the Vancouver International Film Festival with additional screenings at the Halifax Atlantic Film Festival and the New York International Independent Film and Video Festival. "The Genius of Lenny Breau" co-produced by Buffalo Gal Pictures and Sleeping Giant Productions received a nomination for Best Arts Documentary at the Banff Rockie Awards. Cecilia Araneda's "Chile: A History In Exile" received an award by the Canadian International Annual Film Festival, and was screened at the International Festival for Short Films in Santiago, Chile. Buffalo Gal Picture's "Epiphany Rules" received an American premiere during the Los Angeles International short Film Festival, and was invited to Lisbon, Portugal for the International Film Festival. "Gabrielle Roy" co-produced by Buffalo Gal Pictures and Les productions de l'Impatiente won the Best Canadian Work award at the Festivale International des Films sur l'Art in Montreal.
- Manitoba's Eagle & Hawk and Billy Simard were honoured with awards at the inaugural Canadian Aboriginal Music Awards.

Carole Vivier
Chief Executive Officer
General Manager

These are but a few of the many awards bestowed on Manitobans this past year, attracting national and international attention to our growing film and sound recording industries.

We have also taken steps to position the Corporation to meet the challenges and opportunities that lay ahead. In 1999/2000 we held a series of roundtable discussions with industry associations and completed a strategic planning session. These activities culminated in the development and implementation of a three year Business Plan to guide **Manitoba Film & Sound** in meeting future industry challenges.

Thanks to all the agencies, associations, departments, individuals, and companies who support our endeavors with their expertise and time. Thanks also to all jurors without whom we would be unable to effectively deliver programs.

The success the Manitoba music and motion picture industries have achieved, and the associated benefits Manitoba has enjoyed as a result, are in large part attributable to the cooperation and collaboration that exists amongst the industry stakeholders, the Government of the Province of Manitoba and **Manitoba Film & Sound**. And with continued commitment, we are confident that the outlook for Manitoba's music and motion picture industries will indeed be bright.

C Barker

Cheryl Barker
Interim Chairperson

June, 2000

Carole Vivier

Carole Vivier
Chief Executive Officer and
General Manager

THE CORPORATION

The Manitoba Film and Sound Recording Development Corporation ("**MANITOBA FILM & SOUND**") is a statutory corporation of government proclaimed under *The Manitoba Film and Sound Recording Development Corporation Act* on September 1, 1998. Funded by the Province of Manitoba, **MANITOBA FILM & SOUND**'s management reports directly to a nine-member Board of Directors appointed by the Lieutenant Governor in Council.

MANITOBA FILM & SOUND's mission is to promote Manitoba's film and sound recording artists and industries at home and to the world, by:

Developing new talent, industry-skills,
Nurturing the new and existing talent, to higher levels, and
Communicating and marketing to people at home and throughout the world the talent and skill-levels that are here in Manitoba.

Wanda Koop: In Her Eyes,
documentary co-produced by Buffalo Gal Pictures Inc.
and the National Film Board of Canada

Kanadiana,
a feature produced by Kanadiana Inc.

BOARD OF DIRECTORS

Warren Nimchuk - Chair (to Jan. 1/00)
Cheryl Barker - Interim Chair (effective Jan. 1/00)
Tom Kormylo - Interim Vice-Chair (effective Jan. 1/00)
David Dandeneau
Bertram Schneider
Valerie Anne-Owen
Ron Paley
Dale Severyn
Lisa Monkman

PERSONNEL

The Corporation is administered by the Chief Executive Officer and General Manager, who reports directly to the Board of Directors.

STAFF:

Carole Vivier - Chief Executive Officer and General Manager
Eleanore Schlamb - Manager, Finance & Administration
Alexa S. Rosentreter - Manager, Film Programs
Kevin Walters - Manager, Sound Recording Programs
Monique Ledohowski - Manager, Systems & Operations
Danielle Jubinville - Locations Coordinator
Brandice Vivier - Programs Analyst
Pamela Hoeschen - Administrative Assistant

Law of Enclosures, feature
co-produced by Winnipeg's Buffalo Gal Pictures Inc. and
Toronto's Phuck Inc

Special Initiatives

Les femmes - Images de l'invisible, documentary produced by Les Productions Rivard Inc.

Recognizing the uniqueness and vitality of Manitoba's music and motion picture industries, **Manitoba Film & Sound** also continues to support activities outside of the standard development and production realm.

PROFESSIONAL DEVELOPMENT

Manitoba Film & Sound provides support to numerous individuals to attend industry events, conferences and festivals out of province such as: The Banff Film & Television Festival, Manitoba International - Manitoba Film Industry Association Mission to London and Dublin, New York International Independent Film and Video Festival, MIPCOM, Robert McKee Screenwriter's Workshop, Women in the Director's Chair, Vancouver International Trade Forum, Folk Alliance in Cleveland, Canadian Music Week in Toronto, New Music West in Vancouver, North-by-Northeast in Toronto and South-by-Southwest in Austin to name but a few. In order to utilize the resources in the community, **Manitoba Film & Sound** contracted Film Training Manitoba to administer the Professional Development/Festival Attendance Program for the film and television industry.

In addition to assisting with Festival attendance **Manitoba Film & Sound** is also a proud sponsor of a variety of industry events and programs:

FILM INDUSTRY

WINNIPEG FILM GROUP'S POST-PRODUCTION AND MARKETING FUND

Members of the Winnipeg Film Group receive assistance for project completion and development of promotional materials through both the Post-Production and Marketing Funds established and funded by **Manitoba Film & Sound** and administered and peer juried by W.F.G. During 1999/2000 post-production awards were granted to: Dan Walechuk - *Automated Phone Sex*, Barbara Pritchard - *Nail Polish*, John Barnard - *Surviving Stray Thoughts*, Jeff Erbach - *Monday with the Martins*, Daniel Eskin- *Straa Boy*, Krista Morrison- *The Secret: Molly Mac*, and Guy Maddin - *Cock Crew*. Filmmakers receiving assistance through the Marketing Fund were: Sean Garrity - *How Much for Half a Kilo?*, Cory Lussier - *Accidents*, Guy Maddin - *Hospital Fragments*, John Paizs - *Spring Time In Greenland*, and Kevin Doherty - *I Come In Pieces*.

Collection, documentary series produced by Les Productions Rivard Inc.

Panamania: Countdown to the Games, 10-part docu-variety series produced by MidCanada Productions Inc.

FREEZE FRAME INTERNATIONAL FESTIVAL OF FILMS FOR KIDS OF ALL AGES

This ever growing and successful festival for children, families and schools showcases award winning international and Canadian films for children, teens and families. This year's festival saw the expansion outside of Winnipeg with mini-festivals of 2 to 3 films presented in the communities of Pilot Mound, Brandon and Morden. Freeze Frame continues to enrich the lives of some 1,000 disadvantaged children by offering them and their families complimentary tickets, and provided screenings at the Children's Hospital on their closed circuit TV. In addition, Freeze frame offers year round bilingual activities developing media literacy awareness in children, youth, their families and teachers.

Children of My Heart, MOW co-produced by Winnipeg's Buffalo Gal Pictures Inc. and Toronto's Tapestry Films Ltd.

FILM TRAINING MANITOBA

MANITOBA FILM & SOUND contracts with Film Training Manitoba to administer the Professional Development Fund, and the Deeming Provision of the Manitoba Film and Video Production Tax Credit. During 1999/2000 **MANITOBA FILM & SOUND** through Film Training Manitoba, provided assistance to twenty individuals to attend a variety of national and international festivals and workshops. The overwhelming consensus from applicants receiving this assistance is described as "Valuable and Inspiring". Sixteen deeming applications were processed by Film Training Manitoba resulting in excess of 50 individuals receiving valuable on-set training on movies of the week, feature films & television series such as: Desire, The Adventures of Shirley Holmes, Law of Enclosures, Secret Cutting, Children of My Heart and Toy Castle to name but a few.

NATIONAL SCREEN INSTITUTE - CANADA (NSI)

MANITOBA FILM & SOUND provides funding assistance to NSI - Canada. NSI-Canada's unique and innovative programming provides emerging filmmakers with the means to enhance their skills while producing their films in their home province. NSI-Canada offers programs such as the: **Drama Prize** - applicants receive funding to produce a dramatic live-action film with a finished running time of 10 minutes or less; **Movie Camp** - is a 2-week camp for teens, where participants receive hands on training from production experts on the basics of movie making. Thirty Winnipeg teens participated in the 1999 Movie Camp, producing three 5-minute movies written by local teens. The movies were webcast and premiered at the Local Heroes Canadian Festival; **Features First** - is a professional development program for emerging feature fimmakers, which also emphasizes final development and packaging of the feature projects. Out of the 35 applications submitted, the Winnipeg team of Brendon Sawatzky and Sean Garrity were among the five teams selected from across Canada to participate in the 2000 Features First program. The team will receive both the professional and project development needed to bring their selected project *Inertia* to the screen. NSI-Canada also coordinates the ever successful Local Heroes Festival in both Winnipeg and Edmonton. The second annual Winnipeg Festival became a 100% Canadian festival showcasing only films made in Canada, and wrapped up the week with the Gala Winnipeg Premiere of "Heater" produced by Manitoba's Marble Island Pictures and written and directed by Terrance Odette. The premiere was followed by a closing gala fundraiser raising over $64,000 in groceries for Winnipeg Harvest. Attendance at the 2000 Local Heroes Canadian Festival was up 50% over last year and saw 2,800 people attend screenings and over 300 delegates attended the conference.

Local Heroes, Winnipeg Filmmaker Welcome Reception. L to R: MF&S Interim Chair Cheryl Barker, Former Deputy Minister of Culture, Heritage & Tourism Roxy Freedman, The Honourable Premier Gary Doer, MF&S CEO Carole Vivier, His Worship Mayor Glen Murray, and NSI-Canada Executive Director Cheryl Ashton

Desire, feature co-produced by Winnipeg's Buffalo Gal Pictures Inc., Toronto's Subjective Eye & Germany's Bioskop Film

LOW BUDGET FEATURE FILM PROGRAMS

During the Local Heroes Film Festival, **MANITOBA FILM & SOUND** announced the creation of a pilot initiative to support the development and production of low budget dramatic feature film projects. The objective of the new program is to stimulate the development of viable low budget feature film projects which demonstrate script excellence, passion, and unique cinematic voice. The new program was effective as of fiscal year 2000/2001. May 1, 2000 was the first application deadline date for development. All applications will be assessed and recommended for financing by a national independent jury of peers.

MANITOBA MOTION PICTURE INDUSTRIES ASSOCIATION (MMPIA)

In addition to providing financial assistance to MMPIA's operating budget, **MANITOBA FILM & SOUND** also provided assistance to the following MMPIA initiatives:

Fubuki Daiko performing for an appreciative crowd during the Folk Alliance Conference in Cleveland

Manitoba To Market: is a strategy developed to effectively market the Manitoba motion picture industry internationally. This strategy is being developed in three phases: development of a market strategy, creation of a web site, and the implementation of the market strategy. The in-depth research and planning being carried out will determine which markets and country immersions are the most effective for the Manitoba motion picture industry. The creation of a web site will provide the additional means of marketing Manitoba's motion picture industry to the world.

The Weakerthans performing at the MANITOBA FILM & SOUND/NXNE BBQ, during the SXSW Music Conference & Festival in Austin, Texas

Economic Impact Assessment Study: PriceWaterhouseCoopers was contracted by MMPIA to conduct a comprehensive review of the economic impact of Manitoba's motion picture industry on the provincial economy and on a national level. The study reports on the total production activity in Manitoba, analysis of independent and foreign production in Manitoba, and makes an assessment on the impact of provincial support measures. In brief, the study states that of the $48 million in production activity in 1998/99 an estimated $23 million was directly spent in Manitoba, generating $51 million in gross economic benefit in Manitoba. The net provincial investment in the production industry was $1.8 million, or 3.6% of the gross economic benefit to Manitoba by the production industry.

SOUND RECORDING INDUSTRY

NXNE & SXSW- MANITOBA BBQ

MANITOBA FILM & SOUND co-hosted with **MARIA** the annual Manitoba BBQ during the North-by-Northeast (NXNE) conference in Toronto in June of 1999. Over 200 NXNE delegates including Record Label executives experienced first hand Manitoba's hospitality and diverse talent. CBC Radio City host Doug Holmes was on hand to interview and record the performances by Manitoba recording artists Load, Leaderhouse, Julie Penner, Mark Reeves and Chris Ladd which was broadcast in late June, 1999. Manitoba showcase acts at the festival included Serüj MacDuhk, Duotang, The Jonah Stone, the Harlots, Dik Trickle, The Jills, The Bonaduces, Mood Ruff and THC.

MANITOBA FILM & SOUND and North-by-Northeast (NXNE) hosted its annual BBQ at the South-by-Southwest (SXSW) conference held in Austin, Texas in March, 2000. Manitoba recording artists The Weakerthans and Mark Reeves were selected to showcase at the conference in addition to performing at the BBQ. Both events were very successful and those in attendance included record executives, A & R reps, publishers, agents, songwriters, producers, and publicists from Canada, the U.S., Europe, and Asia.

MF&S/MARIA sponsored Home Made Radio Show at the 1999 Winnipeg Folk Festival, recorded for Radio City, which is broadcast on CBC

THE FOLK ALLIANCE CONFERENCE

Boasted as North America's largest gathering of folk music buyers, the 2000 Folk Alliance Conference was held in Cleveland, Ohio. **MANITOBA FILM & SOUND** distributed a compilation CD featuring 17 of Manitoba's finest folk recording artists. The "Evening of Manitoba Music", a live showcase of Manitoba talent included, *Sam Baardman, Strange Angels, Greg MacPherson, Marcel Soulodre, Mark Reeves, Rick Unruh* and *Nikki Mehta*.

Loud performing at MF&S/MARIA Manitoba BBQ during Toronto's NXNE Conference

THE WINNIPEG FOLK FESTIVAL

MANITOBA FILM & SOUND and **MARIA** teamed up once again to host the Home Made Radio Show at the 1999 Winnipeg Folk Festival, being recorded for Radio City, which is broadcast on CBC. Program hosts were Greg Leskiw, Sam Baardman, and Cate Friesen. Recording artists featured on the program included *Eagle & Hawk, Strange Angels, Hal Brolund, Sonia Marie, Mike Jones, Juanita Clayton, Spur of the Moment, Monica Schroeder, Easily Amused, Linda Hiebert, Bill Dowling* and *Danishka Esterhazy*.

JAZZ WINNIPEG FESTIVAL

MANITOBA FILM & SOUND is a proud sponsor of the 1999 Jazz Winnipeg Festival. The 10 day event kicked off with the annual Heineken Blues & Jazz Explosion held in the Old Market Square. The Jazz Winnipeg Festival continues to showcase a talented pool of Local (195), Canadian (69), and International (67) musicians to sold out crowds. Headlining at the festival was Pat Metheny who performed at the Centennial Concert Hall as part of the AT&T Performance Series. Other sold out Performance Series concerts included Jesse Cook, Herbie Hancock/Wayne Shorter, Oliver Jones and Manitoba Night featuring the Winnipeg Jazz Orchestra. **MANITOBA FILM & SOUND** is one of the sponsors of the **Manitoba Night** which for the fourth year was recorded and broadcast by CBC Radio. Some of the many Manitoba performers at the Jazz Festival included: Maggi May, Big Dave McLean, Marcie Campbell, Mood Jga Jga, Swing Cats, Walle Larsson, Stefan Bauer/Larry Roy, Jennifer Hanson and Vikrama.

McMaster & James

PRAIRIE MUSIC WEEK

MANITOBA FILM & SOUND was a proud sponsor of the 1999 Prairie Music Week which included the inaugural Prairie Music Awards Show preceded by a three-day music festival and conference. Organized by the Prairie Music Alliance, a collaboration of the three Audio Recording Industry Associations of Manitoba, Saskatchewan and Alberta who have been working together since 1995 to achieve the common goal of promoting prairie music to the world. Honouring musicians and industry professionals from Manitoba, Saskatchewan and Alberta awards were handed out in 15 categories in 11 different genres. Manitoban's picked up seven of these awards including: Fred Penner - *Fear's B Gone* (Best Children's Recording), Jennifer Hanson - *Something Cool* (Outstanding Jazz Recording), Crash Test Dummies - *Give Yourself A Hand* (Outstanding Pop Recording), Big Dave McLean - *For The Blues Always* (Outstanding Roots Recording), The New Meanies - *Letting Time Pass* (Outstanding Video), The Watchmen - *Silent Radar* (Best Selling Record) and Spur of the Moment (Fan-voted Showcase Act of the Year). In addition *The Guess Who* were honoured as the first inductees to the **Prairie Music Hall of Fame**. The Awards Show was broadcast nationally on CBC and viewed by an audience of 700,000.

Mark Reeves performing at the MANITOBA FILM & SOUND/NXNE BBQ, during the SXSW Music Conference & Festival in Austin, Texas

EXCHANGE DISTRICT BIZ - MUSIC FOR LUNCH CONCERT SERIES

MANITOBA FILM & SOUND is a proud sponsor of the 1999 Music for Lunch concert series coordinated by the Exchange District BIZ. The Music for Lunch series consistently provides great exposure for Manitoba's recording artists to perform in a unique venue with an opportunity to increase their fan base. The series offers free performances from local musicians over the lunch hour from June - August in the Old Market Square. Performers included *Dust Rhinos, Curtis Newton, Lianne Fournier & The Pearl Drivers, Walle Larsson, Spur of the Moment, Marcie Campbell, Maggi May* and *Tarry Trousers*.

GEMINI AND JUNO AWARD NOMINEES AND WINNERS

The 1999 Gemini Awards and 2000 Juno Awards saw the largest number of Manitoba nominees and winners ever, attesting to the quality of work generated by Manitoba's music and motion picture industries. **MANITOBA FILM & SOUND** wishes to congratulate all nominees and award recipients for all the hard work and devotion to their crafts.

The Adventures of Shirley Holmes IV, children's series produced by Credo Entertainment Inc.

GEMINI AWARDS

Milgaard co-produced by Winnipeg's Marble Island Pictures and Toronto's Barna-Alper Productions in association with Bar Harbour Films won 6 Gemini Awards of its 11 nominations:

- Best TV Movie or Dramatic Mini-Series (Ritchard Findlay, Laszlo Barna, Laura Lightbown, Vibika Bianchi and Martin Harbury) - *winner*.
- Best Direction in a Dramatic Program or Mini-Series (Stephen Williams) - *winner*.
- Best Performance by an Actor in a Leading Role in a Dramatic Program or Mini-Series (Ian Tracey) - *winner*.
- Three nominations in the Best Performance by an Actor in a Featured Supporting Role in a Dramatic Program or Mini-Series category (Hrothgar Matthews - *winner*, Garwin Sanford and Jaimz Woolvett).
- Best Performance by an Actress in a Featured Supporting Role in a Dramatic Program or Mini-Series (Sabrina Grdevich) - *winner*.
- Best Picture Editing in a Dramatic Program or Series (Ralph Brunjes) - *winner*.
- Best Writing in a Dramatic Program or Mini-Series.
- Best Performance by an Actress in a Leading Role in a Dramatic Program or Mini-Series (Gabrielle Rose).
- Best Sound Editing in a Dramatic Program or Series (Steve Gorman, Danielle McBride and Dan Sexton).

Gabrielle Roy co-produced by Winnipeg's Buffalo Gal Pictures and Montreal's Les Productions de L'Impatiente Inc. was nominated for Best History/Biography Documentary Program.

The Genius of Lenny Breau co-produced by Buffalo Gal Pictures and Toronto's Sleeping Giant Productions picked up the Gemini for Best Performing Arts Program or Series, or Arts Documentary Program or Series.

The Adventures of Shirley Holmes co-produced by Winnipeg's Credo Entertainment and Vancouver's Forefront Entertainment Group won the Gemini for the Best Performance in a Children's or Youth Program or Series (Meredith Henderson).

Journey: A Mythical Dance Fantasy produced by Winnipeg's Caplette-Paquin Productions received a Gemini for Best Production Design or Art Direction in a Non-Dramatic Program or Series (Brian Perchaluk)

Scrüj

JUNO AWARDS

Chantal Kreviazuk picked up 2 Juno's for Best Female Artist and Best Pop/Adult Album for *"Colour Moving and Still"* (Columbia/Sony)
Tara Lyn Hart was nominated in two categories for Best Country Female Artist and Best New Solo Artist (Epic/Sony)
Glenn Buhr received two nominations in the category of Best Classical Composition for *"String Quartet No. 1"* and *"Winter Poems"*
Scrüj MacDuhk nominated for Best Roots & Traditional Album - Group: *"The Road to Canso"* (Scrüj Tones/Festival)
Jon Buller nominated for Best Gospel Album for *"Sinner And The Saint"* (Hear The Music/CMC)
Greg Wells nominated for Best Producer for Crash Test Dummies *"Keep A Lid On Things"* and *"Get You In The Morning"* (ViK/BMG)

MANITOBA FILM & SOUND is a member of the Association of Film Commissioners International. By attending industry events such as Location Expo and Cineposium along with quarterly meetings with production executives in Los Angeles, and an annual producers tour to Manitoba, **MANITOBA FILM & SOUND**'s objective continues to be to raise the profile of the Manitoba production companies, available services and our great locations.
MANITOBA FILM & SOUND's Production Guide complete with crew listings, production services and location photos, along with our web site are invaluable and cost-effective marketing tools helping in the promotion of Manitoba to non-Manitoban (Guest) production companies.

Nostradamus, feature co-produced by John Aaron Productions Inc. and Regent Entertainment

1999 U.S. Producers Tour L to R: Denny Kennedy (Atlas Pictures), Edward Teets (Phoenix Pictures), Terry O'Rourke (Showdown), Jim McGee (NBC), Jay Heit (independent), MF&S CEO Carole Vivier and Dani Jubinville Location Coordinator

MANITOBA FILM & SOUND hosted its sixth annual Producers Tour in June of 1999. Producers were given the opportunity to scout locations in Winnipeg and surrounding areas, and met with members of Manitoba's film and television production community. Guests included Denny Kennedy, Executive Producer (Atlas Pictures), Terry O'Rourke, Producer (Showdown), Jim McGee, VP of Production (NBC) Edward Teets, VP of Production (Phoenix Pictures), and independent producer Jay Heit (formerly with Dreamworks and Disney). Feedback from participating producers over the years indicates these tours are very valuable in the promotion of our province. More than two thirds of the tour budget is raised through corporate sponsorship.

Independent of the Producers Tour several International producers and directors visited Manitoba to scout locations including: Producers from the Norway-based production company Northern Lights Film & TV Produksjon scouting for the feature "Taiga" who are working with Credo Entertainment Corp.; Director Joe Dante and producers Mike Finnell, Jon Davison & David Coatsworth were scouting for the feature "The Sixth Day"; Patrick Swayze and Lisa Niemi were in town to scout for "Without A Word" a feature film with Minds Eye Production; Producer Barry Authors, director John Henderson and 1st AD Jeff Authors scouted Winnipeg for the feature film "Ogopogo" working with Original Pictures; and producers from Echo Lake and Mike Robe Productions scouted for "Montana 48".

Guest production activity in Manitoba during 1999/2000 included:
"Nostradamus" and "A Woman's a Helluva Thing" both feature films co-produced by John Aaron Productions and Regent Entertainment of Los Angeles. "Toy Castle" a Children's Series produced by Sound Venture Productions with local production services provided by MidCanada. "Hide & Seek" a feature film produced by GFT/Paquin Productions. "Secret Cutting" a movie of the week for the USA Network, produced by Long Bow Productions with local production services provided by Marble Island Pictures Corp.

A Woman's a Helluva Thing, feature co-produced by John Aaron Productions Inc. and Regent Entertainment

Prairie Music Award Recipients

Wide Mouth Mason, *Where I Started*
Outstanding Rock Recording, Outstanding Songwriter, and Entertainer of the Year

Fred Penner, *Fear's b Gone*
Outstanding Children's Recording

The Guess Who
Inductees to the Prairie Music Hall of Fame

Oscar Lopez, *Seduction* - Outstanding Classical/Instrumental Recording

Holger Peterson, for *Jay McShann's Still Jumpin' the Blues* -
Outstanding Producer

Chester Knight & The Wind, *Falling Down*
Outstanding Aboriginal Recording

Jennifer Hanson, *Something Cool*
Outstanding Jazz Recording

Crash Test Dummies, *Give Yourself a Hand*
Outstanding Pop Recording

The Watchmen, *Silent Radar*
Best Selling Recording

The New Meanies, *Letting Time Pass*
Outstanding Video

Big Dave McLean, *For The Blues Always*
Outstanding Roots Recording

Spur of the Moment
Showcase Act Of The Year

Sound Recording Juries

Kristi Johnston

Peer-review adjudication remains at the core of **Manitoba Film & Sound**'s sound recording programs, which also include non-adjudicated components for Music Video, Tour Support and Product Marketing.

Manitoba Film & Sound's jurors are drawn from all sectors of the provincial sound recording industry and include record retail employees, recording studio personnel, producers, engineers, musicians, songwriters, agents, talent managers, lawyers and publicists. Sound Recording proposals must be recommended for funding unanimously by at least two juries. Proposals are then analyzed and a recommendation for funding is made by the Manager, Sound Recording Programs prior to the execution of a contract. A total of 140 sound recording and demo recording applications were adjudicated over the course of the 1999/2000 fiscal year, resulting in 39 projects being recommended for funding.

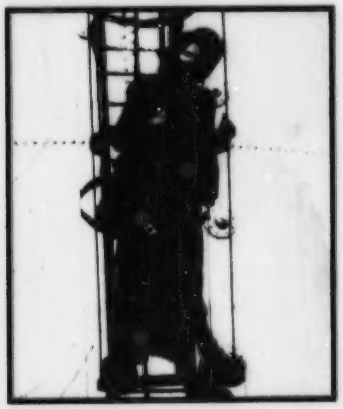
Wyld

Thank you to the following jurors who gave so generously of their time:

Darryl Abello
Stewart Astleford
Scott Baldwin
Chris Brett
Casey Chisick
Marc Crevier
Lyle Foster
Gord Fry
Aileen Goos
Doug Holmes
Kirsten Andrews
Gerry Atwell
Greg Barratt
Les Bruce
Kevin Clifford
Gaylene Dempsey
Chris Frayer
Pascal Gagné
Darcy Gregoire
David Hopwood
Mark Aptekman
Sam Baardman
John Batiuk
Tremaine Burrows
Billy Collins
Vince Fontaine
Brandon Friesen
Andrée Gilbert
Maurice Hogue
Rob Hoskin
Paul James
Bartley Kives
Kurt Krezanski
Ginette Lavack
Howard Mandshein
Barry Minken
Art Pearson
RoseAnna Schick
Dale Sood
Ben Sures
George Vincent
John Jones
Sammy Kohn
Katarina Kupca
Robin Linden
Ray Martin
Paul Nolin
Doren Roberts
Dave Sherman
Sara Stasiuk
Anthony Tordiffe
Glen Willows
John Kendle
Marian Krezanski
Gérald Laroche
Norm Lussier
Candice Masters
James O'Connor
Larry Roy
Jason Smith
Jeff Storry
Rick Unruh
Alan Wolanin

Heather Bishop

FILM MANITOBA



Hey, Happy!
A feature produced by Big Daddy Beer Guts Inc. and Directed by Noam Gonick

DEVELOPMENT FINANCING

The Film Development Program assists eligible applicants with the development of viable motion picture concepts into dramatic or non-dramatic screenplays for film or television.

Projects eligible for financing include feature films, television and cable movies and series, documentaries, and non-theatrical productions.

During the 1999/2000 fiscal year, 21 development applications were approved for a total investment of $92,759. Budgets for these projects totalled $518,140.

APPLICANT	PROJECT
Big Daddy Beer Guts Inc.	Hey Happy Phase II (feature film)
Nicholas Film Incorporated	The Nature of Nicholas Phase III (feature film)
Brian Drader	Fruit Machine Phase II (feature film)
Buffalo Gal Pictures Inc.	2 Degrees (movie of the week)
Buffalo Gal Pictures Inc.	Big City (feature film)
Buffalo Gal Pictures Inc.	The Emancipation of Emily Blake (feature film)
Canadian Heritage Marketing Inc.	Voyageur, Journey into the Unknown (IMAX - documentary)
Credo Entertainment Corp. / 3959148 Manitoba Ltd	Head Over Wheels (documentary series)
Credo Entertainment Corp.	The Big Web (children's television series)
Cygnus Films	Camp Kaboomee (children's television series)
Edgeland Films Inc.	Haunts of the Black Masseur (feature length documentary)
John Aaron Productions Inc.	Lyric (movie of the week)
John Paizs	The Man in the Dark (feature film)
KEL Ltd. & Oswald Productions Inc.	Cool Monkeys (children's television series)
Les Productions Rivard Inc.	Francophonie d'Amerique Phase II (documentary series)
Marble Island Pictures Corp.	Robo High (animation series)
Marble Island Pictures Corp.	J.J. Harper: A Ghost Story (movie of the week)
Merit Motion Pictures Inc.	Drug Deals (documentary)
Oswald Productions Inc.	Navigator (children's television series)
Remote Vision Pictures Inc.	Remote (dramatic television series)
Sedna Pictures Inc.	World Heritage Sites (documentary series)

Francophonie d'Amerique, documentary series produced by Les Productions Rivard Inc.

FILM MANITOBA

PRODUCTION FINANCING

The Film Production Financing Program provides equity investment in the production of fully developed feature film and television programs. Eligible television programs include series/mini series, movie of the week, and documentaries in the following categories: drama, children's programming, animation and variety.

During the 1999/2000 fiscal year, 15 applications were approved for a total equity investment of $1,509,137.00. Budgets for these projects totalled $25,258,000.

APPLICANT	PROJECT
Buffalo Gal Pictures Inc.	Wanda Koop: In Her Eyes (documentary)
Big Daddy Beer Guts Inc.	Hey Happy (feature film)
Finish Line Productions Inc.	Panamania (variety television series)
Buffalo Gal Pictures Inc./ Tapestry Films Ltd.	Children of My Heart (movie of the week)
Winnipix Cord Inc.	Hide & Seek (feature film)
Unique au monde Productions (1999) Inc.	Unique au monde II (documentary television series)
3959130 Manitoba Ltd.	Les Icones-Images de l'invisible (documentary)
Francophonie Film Prod. Inc.	Francophonie d'Amerique (documentary television series)
Shirley IV Productions Inc.	Adventures of Shirley Holmes IV (children's television series)
Premiere Oeuvre Inc.	Collection (documentary series)
3941443 Manitoba Ltd.	Kanadiana (feature film)
Buffalo Gal Pictures Inc./Pluck Inc.	The Law of Enclosures (feature film)
August Pictures Inc.	Desire (feature film)
Ya Yo Productions Inc.	1999 Prairie Music Awards Show (variety)
FP Season Inc.	Fred Penner's: The Season (children's television special)

Fred Penner's: The Season, children's special produced by Paquin Entertainment Inc.

Unique Au Monde II, Children's documentary series produced by Les Productions Ricard Inc.

FILM AND VIDEO PRODUCT MARKETING SUPPORT PROGRAM

The objective of this program is to promote the marketing and distribution of Manitoba product in the local, national and international marketplace.

During the 1999/2000 fiscal year, 2 applications were received and approved for a total investment of $2,604.00:

APPLICANT	PROJECT
North/South Pictures	"The Resolving Door"
Marble Island Pictures Corp.	"Heater" Marketing

SOUND RECORDING

SOUND RECORDING PRODUCTION FUND

This program is designed to support the production of culturally relevant and commercially viable sound recordings by Manitoba's sound recording industry. All types and classes of sound recording projects are eligible for support.

Financial participation is in the form of a loan of up to 50% of the total budget to a maximum of $10,000. All applications are adjudicated by a minimum of two juries of peers.

During the 1999/2000 fiscal year, 17 applications were approved for a total investment of $80,253.00. Budgets for these projects totalled $297,052.

Greg Macpherson

TKO

APPLICANT	PROJECT
B'ehl	Bright Eyes (alternative)
Scrüj Productions	Scrüj MacDuhk - The Road to Canso (folk)
Christine Fellows	2 Little Birds (folk)
Marie-Claude McDonald	Marie-Claude McDonald (rock/pop, softer)
West Lake Management	Doc Walker (country)
Bo Jess Records	Deborah Romeyn - Diamonds In Her Hands (folk)
Kaos Productions	The Home Crew - Fast Rollin' Easy Burnin' (rock/pop, harder)
Greg MacPherson	Balanced on a Pin (rock/pop, softer)
Knock 'Em Dead Productions	TKO (rap)
Sweet Heart Records Inc.	Kimberley Spears - Don't Hesitate (country)
Fubuki Daiko	Fubuki (world)
Woodbridge Productions	Rick Unruh - Remember (adult contemporary)
Stony Plain Recording Co. Ltd.	Kristi Johnston (jazz/blues)
Natterjack Productions	River City Christmas (rock/pop, softer)
Mother of Pearl Records	Heather Bishop-Live (folk)
Ellen Thorn Music	Ellen Thorn - Destiny Takes The Wheel (folk)
Olesia Productions	Paris to Kyiv (world)

Easily Amused

DEMO RECORDING FUND

This program is designed to assist in the production of demo recordings by Manitoba artists to be used for "calling card" purposes. All genres of music are eligible for support.

Financial participation is in the form of a contribution up to a maximum of $1,200. All demo applications are assessed by a minimum of two juries of peers.

During the 1999/2000 fiscal year, 22 applications were approved for a total contribution of $26,152.00:

PROJECT	PROJECT	PROJECT
Jeremy Walsh	Rosalie Rattai	Suzanne Mariani
Easily Amused	Jonah Stone	Soup of the Day
Paul Lachance	Shades of Black	Mira Sahay
Wife	Dominique Reynolds	Natasha Kaminsky
Angela Inglis	Paul Balcain	Tracy K
Strange Angels	Sherry St. Germain	Country Hearts
Carla Madden	Chad Henry	Hawg Wylde
Ted Longbottom		

RECORDING ARTIST TOURING SUPPORT PROGRAM

This program is designed to assist Manitoba recording artists reach audiences to promote their sound recording products through touring.

Financial participation will be in the form of a contribution up to 50% of eligible expenses, to a maximum of $7,500.

During the 1999/2000 fiscal year, 11 applications were approved for a total contribution of $26,184.00:

APPLICANT	PROJECT
Liquid Productions	Load Eastern U.S./CanadaTour
Rising Sun Productions	Eagle & Hawk European Tour
Blair Purda	The Bonaduces Western Canada Tour
Liquid Productions Ltd.	Load Eastern U.S./CanadaTour II
Garfield Williams	Mood Ruff Canadian Tour
Sam Baardman	Sam Baardman Eastern Canada Tour
Spur of the Moment	Spur of the Moment Alberta Tour
Ted Longbottom	Ted Longbottom Eastern Canada Tour
Ryan Francis	Guy Smiley European Tour
Permafrost Records	Insect Gods Western Canada Tour
MDA Productions	Mark Reeves Canadian tour

Deborah Romeyn

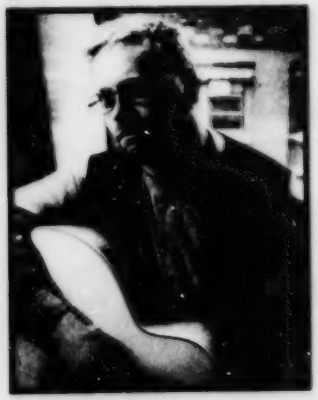
MUSIC VIDEO FUND

This program is designed to encourage the production of music videos in order to aid in the promotion and marketing of album projects with national distribution. The project must be designed for a Manitoba recording artist to promote a previously released or soon-to-be released recording, and must meet the Manitoba Content Points with regards to production of the video.

Financial participation is in the form of a contribution up to 50% of eligible expenses, to a maximum of $15,000.

During the 1999/2000 fiscal year, 2 applications were received and approved for a total contribution of $13,500.00:

Christine Fellows



Rick Unruh

APPLICANT	MUSIC VIDEO
Cheeky Wee Monkey Films	Mark Reeves, "Leon's Lounge"
Catch 23 Records Inc.	Pushing Daisies, "Disagree"

RECORD PRODUCT MARKETING SUPPORT PROGRAM

This program is designed to assist with the marketing and promotion of Manitoba sound recording products. Marketing support is available for sound recording products that meet the sound recording content requirements.

Financial participation will be in the form of a contribution up to 50% of eligible expenses, to a maximum of $7,500.

During the 1999/2000 fiscal year, 9 applications were approved for a total contribution of $23,188.00:

APPLICANT	PROJECT
Mark Reeves	M. Reeves NXNE/CD Release
Sunshine Group	Marketing Assistance
Ki-Keek Music Services	Ki-Keek Compilation CD
TNG Music	Foster Martin Band
Sam Baardman	"The Rookery"
Smallman Records	Guy Smiley
Catch 23 Records Inc.	Pushing Daisies
The Melancholy Angels	CD Release Party
Blair Purda	B'ehl/Christine Fellows

Kim Spears

Professional Development/Industries Support

Ellen Thorn

Manitoba Film & Sound assists the music and motion picture industries by way of event sponsorships, and offsetting costs associated in attending industry events, festivals and conferences in the local, national and international marketplace. Assistance is also provided to industry associations to offset administration costs.

The Professional Development Conference Fund provides the financial assistance for confirmed showcase acts in the form of a contribution up to 50% of allowable expenditures, to a maximum of $2,000 per fiscal year, per applicant. Assistance to music industry professional is in the form of a contribution up to 50% of allowable expenditures to a maximum of $1,000 per fiscal year, per applicant. All applications are adjudicated on established criteria.

During the 1999/2000 fiscal year, 80 applications were approved for a total of $255,814.00:

Film Industry

Industry Associations/Co-operatives	
NSI-Canada	Operating 1999
Winnipeg Film Group	Post-Production Fund
MMPIA	Operating
Sponsorships	**Event**
Marble Island Pictures Inc.	"Milgaard" Premiere
MMPIA	Economic Impact Study
Bevan Klassen	Microcinema
Academy of Cdn Cinema & Television	Genie/Gemini Awards
Buffalo Gal Pictures	"Desire" German Reception
Cinemental	Cinemental '99
Winnipeg Film Group	25th Anniversary Celebrations
Winnipeg Film Group	Krzysztof Zanussi Visit
Brandon Film Festival Inc.	30 Below Film Festival
Marketing	
MMPIA	Market Strategy
Winnipeg Film Group	Marketing Fund
Professional Development	
Film Training Manitoba	Administering the Professional Development Program & Deeming Provision within the Manitoba Film & Television Provincial Tax Credit Program
NSI-Canada	Features First 2 Program

Sound Recording Industry

Sponsorships	**Event**
Jazz Winnipeg Inc.	1999 Winnipeg Jazz Festival
Prairie Music Alliance Inc.	Prairie Music Week
Winnipeg Int'l Children's Festival	Children's Festival '99
Brandon Folk Music & Art Society	Brandon Folk Festival
Christopher Ladd	Corefest '99
MARIA	Pan Am Stage
MARIA	Operating
Exchange District BIZ	Music for Lunch '99

Alexis Kochan

Professional Development/Industries Support

Doc Walker

Sound Recording Industry (cont'd)

Marketing	Event
TNG Music	The Foster Martin Band "European Showcase"
Betty Thorsteinson	Nashville Trip
Arbor Records	Pow Wow Marketing Trip
MARIA	Folk Alliance CD Compilation

Professional Development	Event
Blair Purda/Endearing Records	New Music West '99
Ellen Sturko	New Music West '99
The Farrell Bros.	New Music West '99
Julian Scott/My Tragic Sister	New Music West '99
Anthony Tordiffe	New Music West '99
Paul Nolin/Spur of the Moment	New Music West '99
Brad Garinger/The Harlots	New Music West '99
Strange Angels	New Music West '99
Scott Nolan/Leaderhouse	"Eat M"- Las Vegas Music Festival
Dave Hopwood	RPM Big Country Awards
Glen Willows/THC	NXNE '99
Dee Seguin/The Jills	NXNE '99
Blair Purda/Endearing Records	NXNE '99
Mad Cow Music/Dik Trickle	NXNE '99
Scott Nolan/Leaderhouse	NXNE '99
Christopher Ladd	NXNE '99
Brad Garinger/The Harlots	NXNE '99
Prairie Music Alliance Inc.	NXNE '99
Richard Sigesmund	NXNE '99
Rod Slaughter/Duotang	NXNE '99
Dave Hopwood	CCMA '99
Shauna Forman	CCMA '99
Heather Bishop	Alberta Showcase

Professional Development (cont'd)	Event
Richard Sigesmund/Permafrost	CMJ Conference
Blair Purda/Endearing Records	CMJ Conference
Greg Leskiw	Swing Soniq Showcases
Vince Fontaine	Canadian Aboriginal Music Awards
Jesse Green	Canadian Aboriginal Music Awards
Rick Unruh	Folk Alliance 2000
Sam Baardman	Folk Alliance 2000
Yvonne Lewis	Folk Alliance 2000
Marcel Soulodre	Folk Alliance 2000
Greg MacPherson	Folk Alliance 2000
Fubuki Daiko	Folk Alliance 2000
Nicky Mehta	Folk Alliance 2000
Jenny Robinson	Folk Alliance 2000
Dale Sood	CMW 2000
J.S. Turner	CMW 2000
Campbell Grier	CMW 2000
Stephen Carroll	CMW 2000
Chris Burke-Gaffney	CMW 2000
Sam Osland	CMW 2000
RoseAnna Schick	CMW 2000
Pushing Daisies	CMW 2000
Brandon Friesen	CMW 2000
Paquin Entertainment	CMW 2000
Mark Reeves	SXSW/Folk Alliance 2000
Damon Mitchell/The New Meanies	International Showcase
Gord Osland/Mood Jga Jga	Vancouver Showcase
Sam Baardman	Ontario Council of Folk Festivals

THC

MANITOBA FILM AND SOUND RECORDING DEVELOPMENT CORPORATION

FINANCIAL STATEMENTS

MARCH 31, 2000

MANITOBA FILM AND SOUND RECORDING DEVELOPMENT CORPORATION

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MARCH 31, 2000

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AUDITOR'S REPORT

To the Board of Directors
Manitoba Film and Sound Recording Development Corporation

We have audited the balance sheets of Manitoba Film and Sound Recording Development Corporation as at March 31, 2000 and at March 31, 1999 and the statements of revenues and expenditures and cash flows for the year ended March 31, 2000 and the seven month period ended March 31, 1999. These financial statements are the responsibility of the Corporation's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Corporation as at March 31, 2000 and March 31, 1999 and the results of its operations and cash flows for the year ended March 31, 2000 and the seven month period ended March 31, 1999 in accordance with generally accepted accounting principles.

Meyers Norris Penny

May 26, 2000 Chartered Accountants

BALANCE SHEET

March 31, 2000

	2000	1999 (restated)
ASSETS		
CURRENT		
Cash (Note 3)	$ 508,897	$ 740,277
Note receivable (Note 4)	250,000	274,102
Accounts receivable	16,251	11,032
Prepaid expenses	26,816	10,567
Inventory	8,037	-
	$ 810,001	$ 1,035,978
NOTE RECEIVABLE (Note 4)	150,000	250,000
CAPITAL ASSETS (Note 5)	93,547	17,015
	$ 1,053,548	$ 1,302,993

	2000	1999 (restated)
LIABILITIES		
CURRENT		
Accounts Payable	$ 39,662	$ 28,392
Current portion of long-term debt	250,000	274,102
Carry-over commitments (Note 6)	299,008	435,267
	588,670	737,761
LONG-TERM DEBT (Note 7)	150,000	250,000
	738,670	987,761
FORWARD COMMITMENTS (Note 8)		
SURPLUS		
Surplus Transferred, as previously stated	-	1,016,441
Adjustment to Surplus Transferred (Note 6)	-	(1,016,111)
Adjusted Surplus Transferred	-	330
Surplus, beginning of year, as previously stated	750,499	-
Restatement, due to change in accounting policy (Note 6)	(435,267)	-
Surplus, beginning of year, as restated	315,232	-
Excess (deficiency) of revenues over expenditures	(354)	314,902
Surplus, end of year	314,878	315,232
	$ 1,053,548	1,302,993

ON BEHALF OF THE BOARD:

C Barker Director

J. Young Director

STATEMENT OF REVENUES AND EXPENDITURES

YEAR ENDED MARCH 31, 2000	Year ended March 31, 2000	7 Months ended March 31, 1999 (restated)
REVENUES		
Provincial Government funding	$ 2,013,900	$ 853,900
Interest income	36,113	28,502
Program recoupments	155,731	62,760
Other provincial funding	5,000	-
Miscellaneous	2,330	-
	2,213,074	945,162
EXPENDITURES		
Film & Television Programs Funding:		
Film Development Production	82,759	8,100
Film Production Financing Program	1,063,637	114,910
Film & Video Product Marketing Support Program	2,604	868
	1,149,000	123,878
Sound Programs Funding:		
Sound Recording Production Fund	78,712	31,815
Demo Recording Fund	26,128	2,203
Music Video Fund	13,024	16,323
Record Product Marketing Support Program	23,022	5,396
Recording Artist Touring Support Program	26,184	1,552
	167,070	57,289
Miscellaneous:		
Film:		
Industry Associations/Co-operatives	60,000	25,000
Sponsorships	22,350	8,000
Marketing	8,000	-
Professional Development	39,500	550
	129,850	33,550
Sound Recording:		
Sponsorships	34,500	7,900
Marketing	6,858	8,864
Professional Development	38,843	25,938
	80,201	42,702
Locations		
Administrative - Salaries	248,107	127,319
- Operating	242,537	143,643
	196,663	101,879
	2,213,428	630,260
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	$ (354)	$ 314,902

STATEMENT OF CASH FLOWS

YEAR ENDED MARCH 31, 2000	Year ended March 31, 2000	7 Months ended March 31, 1999 (restated)
CASH PROVIDED (USED) BY:		
OPERATING ACTIVITIES		
Excess (deficiency) of revenues over expenditures	$ (354)	$ 314,902
Amortization	11,281	1,873
Loss on disposal	6,788	-
Carry-over commitments expensed	1,503,232	257,419
Payments on outstanding carry-over commitment	(1,639,491)	(838,263)
Accounts receivable	(5,219)	11,318
Prepaid expenses	(16,249)	(4,971)
Inventory	(8,037)	-
Accounts payable	11,270	(5,975)
	(136,779)	(263,697)
INVESTING ACTIVITIES		
Additions to capital assets	(94,601)	(2,239)
Repayment of special loans	(150,000)	70,000
Repayment of loans receivable	274,102	120,000
	29,501	187,761
FINANCING ACTIVITIES		
Repayment of long-term debt	(274,102)	(70,000)
Cash transferred from predecessor	-	886,213
	(124,102)	816,213
INCREASE (DECREASE) IN CASH FLOWS	(231,380)	740,277
CASH, BEGINNING OF PERIOD	740,277	-
CASH, END OF PERIOD	$ 508,897	$ 740,277

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED MARCH 31, 2000

1. NATURE OF BUSINESS

Manitoba Film and Sound Recording Development Corporation (the "Corporation") is a statutory corporation created by the Province of Manitoba through *The Manitoba Film and Sound Development Recording Development Corporation Act*. The chief objective of the Corporation is to foster growth of the Manitoba film and sound recording industries by providing financial and other assistance.

As of September 1, 1998, all activities, assets and liabilities and material contracts were transferred from Manitoba Film & Sound Development Corporation to the Corporation. The Contribution Agreement, dated September 2, 1994, between the Province of Manitoba, Department of Culture, Heritage and Citizenship (CHC), and Manitoba Film & Sound Development Corporation was transferred and assigned to the Corporation. The Contribution Agreement was extended for one year, and expired March 31, 2000. As of April 1, 2000, the Corporation will be funded by Culture, Heritage & Tourism, pursuant to allocations determined in accordance with the customary annual budgetary process of the Government of Manitoba.

The Corporation has been designated by the Minister of Finance to administer the Manitoba Film & Video Production Tax Credit Program, including registration of productions and review of tax credit applications.

2. SIGNIFICANT ACCOUNTING POLICIES

These financial statements are prepared in accordance with generally accepted accounting principles and include the following significant accounting policies:

REVENUE RECOGNITION

Any recovery of principal or return on investment of programs funded is recorded as program recoupments, when received.

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

CAPITAL ASSETS

Capital assets are recorded at cost. Amortization is provided using the straight-line method at rates intended to amortize the cost of the assets over their estimated useful lives. The annual rates are as follows:

Computer hardware	30%
Furniture	20%
Leasehold improvements	5%
Equipment	20%

MEASUREMENT UNCERTAINTY

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period.

Amortization of capital assets is provided based on the Corporation's estimated useful lives of those assets.

These estimates and assumptions are reviewed periodically and, as adjustments become necessary, they are reported in earnings in the periods in which they become known.

3. CASH

Cash on deposit earns monthly interest at the Chartered Bank's commercial rates.

NOTES TO THE FINANCIAL STATEMENTS

4. NOTES RECEIVABLE

Notes receivable, advanced under the "Special Loan" fund, are required to be repaid.

	2000	1999
Term loan bearing interest at 7.625%, interest payments due monthly, and principal balance due on June 1, 2002, secured by an assignment of film tax credits	$ 150,000	-
Term loan bearing interest at 6.375%, interest payable monthly and principal balance due April 15, 2000, secured by an assignment of film tax credits	250,000	250,000
Term loan bearing interest at 6.375%, interest payments due monthly, and principal balance due May 15, 1999, secured by an assignment of film tax credits	-	274,102
	400,000	524,102
Less: Current portion	250,000	274,102
	$ 150,000	$ 250,000

5. CAPITAL ASSETS

	2000			1999
	Costs	Accumulated Amortization	Net Book Value	Net Book Value
Website	$ 3,735	$ -	$ 3,735	$ -
Computer equipment	30,187	6,746	23,441	4,338
Furniture	32,101	4,473	27,628	6,161
Leasehold improvements	38,597	1,376	37,221	5,000
Equipment	2,080	558	1,522	1,516
	$ 106,700	$ 13,153	$ 93,547	$ 17,015

6. CARRY-OVER COMMITMENTS

During the year the Corporation adopted the method of accounting for carry-over committed funds as expenditures in the year in which the funds are committed. As a result, the Corporation had a change in accounting policy for carry-over commitments.

This change in accounting policy has been applied retroactively. As a result, due to the recording of program expenditures made in the period September 1, 1998 to March 31, 1999 that were committed prior to September 1, 1998, a restatement of $1,016,111 has been recognized as at September 1, 1998. This amount has been applied against Surplus transferred from the predecessor corporation, Manitoba Film & Sound Development Corporation.

Due to lead times required to obtain all the resources necessary to complete film, video and audio productions, the Corporation approves applications for funding which may not be disbursed until subsequent fiscal periods

	Year of Commitment				Total	
	99/00	98/99	97/98	96/97	2000	1999
Film						
Film development	$ 6,816	$ 650	$ -	$ -	$ 7,466	$ -
Film production	187,117	43,225	-	-	230,342	352,060
Film & video marketing	-	174	-	-	174	2,674
Discretionary film	21,325	-	-	-	21,325	19,359
	215,258	44,049	-	-	259,307	374,093
Sound						
Sound recording	19,500	-	4,374	746	24,620	47,476
Demo recording	2,880	120	-	-	3,000	3,240
Audio marketing	3,030	3,962	-	-	6,992	3,538
Sound touring	200	-	-	-	200	300
Music video production	500	-	-	-	500	6,620
Discretionary sound	4,139	120	130	-	4,389	-
	30,249	4,202	4,504	746	39,701	61,174
Total Commitments	$ 245,507	$ 48,251	$ 4,504	$ 746	$ 299,008	$ 435,267

NOTES TO THE FINANCIAL STATEMENTS

7. LONG-TERM DEBT

	2000	1999
Term loan bearing interest at 6.625%, interest payments due semi-annually and principal balance due June 1, 2002	$ 150,000	$ -
Term loan bearing interest at 5.375%, interest payable semi-annually and principal balance due April 15, 2000	250,000	250,000
Term loan bearing interest at 5.375% interest payable Semi-annually and principal balance due May 15, 1999	-	274,102
	400,000	524,102
Less: Current portion	250,000	274,102
	$ 150,000	$ 250,000

Long-term debt is secured by notes receivable, which are detailed in Note 4.

8. FORWARD COMMITMENTS

Due to the demand for funding of film, video and audio productions, the Corporation approves applications for funding which will not be disbursed until subsequent fiscal periods.

As at March 31, 2000, the Corporation had forward commitments into the next fiscal period of $478,152.

9. LEASE COMMITMENTS

The Corporation has entered into various lease agreements with minimum annual payments as follows:

2001	60,057
2002	60,057
2003	60,057
2004	60,057
2005	2,094

10. UNCERTAINTY DUE TO THE YEAR 2000 ISSUE

The Year 2000 issue arises because many computerized systems use two digits rather than four to identify a year. Date-sensitive systems may recognize the Year 2000 as 1900 or some other date, resulting in errors when information using Year 2000 dates are processed. In addition, similar problems may arise in some systems that use certain dates in 1999 to represent something other than a date.

Although the change in date has occurred, it is not possible to conclude that all aspects of the Year 2000 issue that may affect the entity, including those related to customers, suppliers or other third parties, have been fully resolved.

11. COMPARATIVE FIGURES

Certain of the prior year's comparative figures have been reclassified to conform to the current year's presentation.